

ERNIE FLETCHER
GOVERNOR



TERESA J. HILL
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COMMISSIONER

ENVIRONMENTAL AND PUBLIC PROTECTION CABINET

DEPARTMENT OF PUBLIC PROTECTION
OFFICE OF FINANCIAL INSTITUTIONS
CORDELL G. LAWRENCE, EXECUTIVE DIRECTOR
1025 CAPITAL CENTER DRIVE, SUITE 200
FRANKFORT, KENTUCKY 40601
TELEPHONE: (502) 573-3390
FAX: (502) 573-8787
WEB SITE: WWW.KENTUCKY.GOV

NEWS RELEASE

Contact: Kelly May
502-573-3390, ext. 252

OFFICE OF FINANCIAL INSTITUTIONS IS REACCREDITED
High score earned from Conference of State Bank Supervisors

FRANKFORT, Ky. (Sept. 10, 2007) – The Kentucky Office of Financial Institutions (OFI), which is responsible for regular examinations of banks and other financial institutions, has itself undergone an examination and received high marks from its national accrediting organization.

The Conference of State Bank Supervisors (CSBS) has reaccredited OFI for a five-year period. The exact score is confidential.

“The Kentucky Office of Financial Institutions is gratified to be recognized by its peers as a highly skilled, competent, professional organization that capably fulfills the important responsibility of ensuring the safety and soundness of our Kentucky state-chartered banks,” said OFI Executive Director Cordell Lawrence.

The CSBS Performance Standards Committee voted for the accreditation, basing their vote on the reports of the Accreditation Review Team and Audit Team. Those teams evaluated OFI’s ability to fulfill its statutory responsibility to charter, examine, supervise and regulate all state-chartered commercial banks in Kentucky. Although OFI regulates additional financial institutions, the CSBS accreditation program limited its review to the regulation and supervision of state-chartered commercial banks, bank holding companies and independent trust companies.

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The team reviewed seven designated areas: administration and finance; personnel; training; examination policies and procedures; ability to rate financial institutions, recognize problems and initiate effective corrective procedures; supervision; and legislative powers.

The review was conducted primarily on-site at OFI's Frankfort office over three days in June. The report and scores are based on documentary evidence, such as a random sample of examination reports and other files. The CSBS Review Team conducted a thorough review of OFI's self-evaluation questionnaire, interviewed key management personnel and a cross section of examiners and reviewed the products of supervision.

"The accreditation process provides an objective critical analysis to ensure we are current in our examination policies and procedures and that we employ nationally recognized best practices in regulatory supervision and oversight," Lawrence said.

OFI was first reaccredited by CSBS in 1992, and now has been reaccredited three times – in 1997, 2002 and 2007.

OFI is an agency of the Department of Public Protection in the Environmental and Public Protection Cabinet. It licenses, charters and regulates the activities of state-chartered/licensed depository and nondepository financial institutions. OFI's mission is to serve the public through effective and efficient regulation that promotes consumer confidence and economic growth.